



WEBSTER COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-84
September 24, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 1999

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Webster, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Webster County was a financial and compliance audit of various county operating funds.

- < The county did not sufficiently rollback its property tax levy to comply with the sales tax ballot issue passed by Webster County voters. For the 1998 rollback, a calculation error caused the county to collect \$22,829 in excess property taxes, and higher than projected sales tax revenues caused an additional \$27,533 in excess property taxes. The County Commission indicated the 1999 property tax levy has been rolled back sufficiently to correct these errors.

The audit also includes some matters upon which the county should consider and take appropriate corrective action.

Copies of the audit are available upon request.

YELLOW SHEET

WEBSTER COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
State Auditor's Reports:	2-6
Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	5-6
Financial Statements:	7-28
<u>Exhibit</u>	<u>Description</u>
	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds
A-1	Year Ended December 31, 19988
A-2	Year Ended December 31, 19979
	<u>General Revenue Fund</u>
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 199710
	<u>Special Road and Bridge Fund</u>
C	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 199711
	<u>Assessment Fund</u>
D	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 199712
	<u>Law Enforcement Training Fund</u>
E	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 199713

WEBSTER COUNTY, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
<u>FINANCIAL SECTION</u>		
Financial Statements:		
<u>Exhibit</u>	<u>Description</u>	
F	<u>Prosecuting Attorney Training Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	14
G	<u>Capital Improvement Sales Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	15
H	<u>Sheriff Equipment Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	16
I	<u>Sheriff Drug Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	17
J	<u>DARE Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	18
K	<u>Prosecuting Attorney Delinquent Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	19
L	<u>Prosecuting Attorney Drug Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	20

WEBSTER COUNTY, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
<u>FINANCIAL SECTION</u>		
Financial Statements:		
<u>Exhibit</u>	<u>Description</u>	
M	<u>Recorder User Fee Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	21
N	<u>Children's Trust Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	22
O	<u>Local Emergency Planning Commission Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	23
P	<u>Peace Officers Standards Training Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	24
Q	<u>Sheriff Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998	25
R	<u>Health Center Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	26
S	<u>Senate Bill 40 Board Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997	27

WEBSTER COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Financial Statements:	
<u>Exhibit</u>	<u>Description</u>
T	<u>Emergency 911 Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998.....28
U	<u>Law Library Fund</u> Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998.....29
Notes to the Financial Statements..... 30-33	
Supplementary Schedule:..... 34-35	
Schedule of Expenditures of Federal Awards, Years Ended December 31, 1998 and 199735	
Notes to the Supplementary Schedule 36-37	
<u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u>	
State Auditor's Report:..... 39-41	
Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133..... 40-41	
Schedule:..... 42-45	
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 1998 and 1997..... 43-45	
Section I - Summary of Auditor's Results.....43	
Section II - Financial Statement Findings.....44	
<u>Number</u>	
98-1	County Sales Tax 44-45

WEBSTER COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u>	
Section III - Federal Award Findings and Questioned Costs	45
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	46-47
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133	48-49
<u>SECTION ON OTHER MATTERS</u>	
Letter on Other Matters	50-52

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Webster County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Webster County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

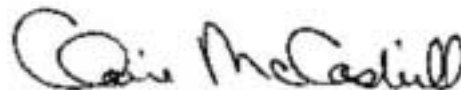
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Webster County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Webster County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Webster County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

Webster County, Missouri, has not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 3, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is cursive and somewhat stylized, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

May 3, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Webster County, Missouri

We have audited the special-purpose financial statements of various funds of Webster County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 3, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

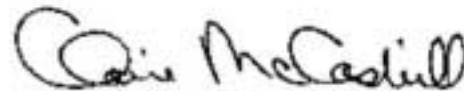
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Webster County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 98-1. We also noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Webster County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the county in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Webster County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

May 3, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

WEBSTER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 202,163	1,478,758	1,467,969	212,952
Special Road and Bridge	77,338	1,224,880	1,178,531	123,687
Assessment	5	233,612	221,144	12,473
Law Enforcement Training	773	5,650	5,734	689
Prosecuting Attorney Training	539	1,636	2,154	21
Capital Improvement Sales Tax	59,270	859,304	803,759	114,815
Sheriff Equipment	243	15	0	258
Sheriff Drug	1,509	41	1,523	27
DARE	274	1,374	0	1,648
Prosecuting Attorney Delinquent Tax	24	2	0	26
Prosecuting Attorney Drug	1,068	18	1,080	6
Recorder User Fee	10,612	17,860	5,456	23,016
Children's Trust	3,672	1,350	0	5,022
Local Emergency Planning Commission	9,425	3,224	2,890	9,759
Peace Officers Standards Training	1,748	2,024	3,772	0
Sheriff	1,400	29,510	0	30,910
CDBG	0	39,462	39,462	0
Health Center	234,342	614,621	631,885	217,078
Senate Bill 40 Board	84,678	154,983	198,967	40,694
Emergency 911	332,997	358,050	116,593	574,454
Law Library	2,627	12,051	7,414	7,264
Circuit Clerk Interest	4,350	1,629	1,028	4,951
Associate Circuit Division Interest	338	971	272	1,037
Total	\$ 1,029,395	5,041,025	4,689,633	1,380,787

The accompanying Notes to the Financial Statements are an integral part of this statement.

WEBSTER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 199,776	1,443,802	1,441,415	202,163
Special Road and Bridge	44,864	1,076,601	1,044,127	77,338
Assessment	16,005	200,188	216,188	5
Law Enforcement Training	2,687	4,609	6,523	773
Prosecuting Attorney Training	350	1,744	1,555	539
Capital Improvement Sales Tax	87,448	787,122	815,300	59,270
Sheriff Equipment	730	768	1,255	243
Sheriff Drug	3,149	6,617	8,257	1,509
DARE	93	256	75	274
Prosecuting Attorney Delinquent Tax	23	1	0	24
Prosecuting Attorney Drug	2,475	105	1,512	1,068
Recorder User Fee	13,440	13,816	16,644	10,612
Children's Trust	2,841	1,231	400	3,672
Local Emergency Planning Commission	7,755	4,144	2,474	9,425
Peace Officers Standards Training	1,586	1,757	1,595	1,748
Sheriff	0	1,400	0	1,400
Health Center	115,436	615,104	496,198	234,342
Senate Bill 40 Board	69,779	134,670	119,771	84,678
Emergency 911	87,873	320,797	75,673	332,997
Law Library	1,138	9,583	8,094	2,627
Circuit Clerk Interest	4,163	1,831	1,644	4,350
Associate Circuit Division Interest	1,778	1,067	2,507	338
Total	\$ 663,389	4,627,213	4,261,207	1,029,395

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

WEBSTER COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 85,806	90,489	4,683	72,831	81,963	9,132
Sales taxes	825,000	761,760	-63,240	781,000	781,104	104
Intergovernmental	186,204	134,366	-51,838	138,998	143,116	4,118
Charges for services	394,000	433,389	39,389	365,512	420,120	54,608
Interest	12,000	8,379	-3,621	6,500	10,055	3,555
Other	9,616	35,375	25,759	46,249	6,214	-40,035
Transfers in	16,500	15,000	-1,500	0	1,230	1,230
Total Receipts	1,529,126	1,478,758	#VALUE!	1,411,090	1,443,802	#VALUE!
DISBURSEMENTS						
County Commission	65,330	63,368	1,962	63,415	62,196	1,219
County Clerk	65,450	64,606	844	62,864	62,544	320
Elections	50,050	42,757	7,293	24,560	16,327	8,233
Buildings and grounds	71,209	58,642	12,567	86,171	84,925	1,246
Employee fringe benefits	93,290	87,396	5,894	69,100	68,376	724
County Treasurer	23,635	23,536	99	23,120	22,712	408
County Collector	75,501	76,144	-643	74,695	74,639	56
Ex Officio Recorder of Deeds	28,952	29,472	-520	28,240	26,819	1,421
Circuit Clerk	18,800	20,004	-1,204	17,650	16,157	1,493
Associate Circuit Court	18,975	17,545	1,430	16,400	12,940	3,460
Circuit Judge	11,979	6,936	5,043	11,979	6,220	5,759
Court administration	9,472	1,704	7,768	6,365	5,191	1,174
Public Administrator	16,363	30,176	-13,813	10,845	12,250	-1,405
Recycling	38,245	14,167	24,078	57,625	33,992	23,633
Purchasing agent	17,476	17,361	115	18,302	17,951	351
Emergency management	15,380	14,294	1,086	16,042	15,793	249
Sheriff	471,000	443,836	27,164	464,928	466,123	-1,195
Juvenile Detention Center	130,134	113,481	16,653	45,106	64,913	-19,807
Prosecuting Attorney	87,094	87,006	88	90,029	85,651	4,378
Juvenile Officer	52,436	49,025	3,411	77,542	74,900	2,642
County Coroner	8,470	8,681	-211	8,500	7,986	514
Public health and welfare services	4,000	3,062	938	2,500	4,018	-1,518
Debt service	11,240	11,240	0	11,240	11,240	0
Other	126,701	120,825	5,876	144,313	145,913	-1,600
Transfers out	62,705	62,705	0	41,639	41,639	0
Emergency Fund	45,874	0	45,874	42,300	0	42,300
Total Disbursements	1,619,761	1,467,969	151,792	1,515,470	1,441,415	74,055
RECEIPTS OVER (UNDER) DISBURSEMENTS	-90,635	10,789	#VALUE!	-104,380	2,387	#VALUE!
CASH, JANUARY 1	202,163	202,163	0	199,776	199,776	0
CASH, DECEMBER 31	\$ 111,528	212,952	#VALUE!	95,396	202,163	#VALUE!

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

WEBSTER COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 309,938	311,341	1,403	291,010	267,703	-23,307
Intergovernmental	774,135	838,359	64,224	719,521	792,952	73,431
Charges for services	44,900	0	-44,900	15,000	0	-15,000
Interest	10,000	12,655	2,655	5,000	9,905	4,905
Other	4,013	62,525	58,512	12,000	6,041	-5,959
Total Receipts	1,142,986	1,224,880	81,894	1,042,531	1,076,601	34,070
DISBURSEMENTS						
Salaries	405,000	401,465	3,535	414,214	395,160	19,054
Employee fringe benefits	78,909	77,354	1,555	73,200	64,294	8,906
Supplies	71,200	53,754	17,446	70,500	65,731	4,769
Insurance	10,886	12,243	-1,357	24,274	24,389	-115
Road and bridge materials	300,000	294,685	5,315	85,000	85,816	-816
Equipment repairs	25,000	25,976	-976	90,000	99,530	-9,530
Construction, repair, and maintenance	106,000	100,590	5,410	125,000	97,688	27,312
Distribution to special road district	120,504	130,608	-10,104	113,469	119,816	-6,347
Other	77,791	66,856	10,935	81,500	90,473	-8,973
Transfers out	15,000	15,000	0	0	1,230	-1,230
Total Disbursements	1,210,290	1,178,531	31,759	1,077,157	1,044,127	33,030
RECEIPTS OVER (UNDER) DISBURSEMENTS	-67,304	46,349	113,653	-34,626	32,474	67,100
CASH, JANUARY 1	77,338	77,338	0	44,864	44,864	0
CASH, DECEMBER 31	\$ 10,034	123,687	113,653	10,238	77,338	67,100

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

		Year Ended December 31,					
		1998			1997		
			Variance			Variance	
			Favorable			Favorable	
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Intergovernmental	\$	159,373	167,563	8,190	147,203	153,475	6,272
Interest		2,500	303	-2,197	3,000	2,492	-508
Other		0	3,041	3,041	2,000	2,582	582
Transfers in		62,705	62,705	0	41,639	41,639	0
Total Receipts		224,578	233,612	9,034	193,842	200,188	6,346
DISBURSEMENTS							
Assessor		224,578	221,144	3,434	209,847	216,188	-6,341
Total Disbursements		224,578	221,144	3,434	209,847	216,188	-6,341
RECEIPTS OVER (UNDER) DISBURSEMENTS							
		0	12,468	12,468	-16,005	-16,000	5
CASH, JANUARY 1		5	5	0	16,005	16,005	0
CASH, DECEMBER 31	\$	5	12,473	12,468	0	5	5

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 4,500	5,596	1,096	4,500	4,467	-33
Interest	99	54	-45	0	142	142
Total Receipts	4,599	5,650	1,051	4,500	4,609	109
DISBURSEMENTS						
Sheriff	4,599	5,734	-1,135	4,500	6,523	-2,023
Total Disbursements	4,599	5,734	-1,135	4,500	6,523	-2,023
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-84	-84	0	-1,914	-1,914
CASH, JANUARY 1	773	773	0	2,687	2,687	0
CASH, DECEMBER 31	\$ 773	689	-84	2,687	773	-1,914

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,800	1,598	-202	2,100	1,715	-385
Interest	30	38	8	0	29	29
Total Receipts	1,830	1,636	-194	2,100	1,744	-356
DISBURSEMENTS						
Prosecuting Attorney	1,635	2,154	-519	2,035	1,555	480
Total Disbursements	1,635	2,154	-519	2,035	1,555	480
RECEIPTS OVER (UNDER) DISBURSEMENTS	195	-518	-713	65	189	124
CASH, JANUARY 1	539	539	0	350	350	0
CASH, DECEMBER 31	\$ 734	21	-713	415	539	124

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT SALES TAX FUND

		Year Ended December 31,					
		1998			1997		
			Variance Favorable (Unfavorable)			Variance Favorable (Unfavorable)	
		Budget	Actual		Budget	Actual	
RECEIPTS							
Sales taxes	\$	825,000	848,473	23,473	781,000	781,041	41
Interest		6,000	10,791	4,791	5,000	6,081	1,081
Other		0	40	40	0	0	0
Total Receipts		831,000	859,304	28,304	786,000	787,122	1,122
DISBURSEMENTS							
Salaries		10,000	5,242	4,758	10,000	5,933	4,067
Road and bridge materials		452,000	478,354	-26,354	533,775	516,717	17,058
Equipment		247,000	178,210	68,790	140,000	151,890	-11,890
Construction, repair, and maintenance		40,000	8,149	31,851	42,000	17,590	24,410
Mileage and training		400	0	400	400	0	400
Distribution to special road district		130,120	133,804	-3,684	123,164	123,170	-6
Total Disbursements		879,520	803,759	75,761	849,339	815,300	34,039
RECEIPTS OVER (UNDER) DISBURSEMENTS		-48,520	55,545	104,065	-63,339	-28,178	35,161
CASH, JANUARY 1		59,270	59,270	0	87,448	87,448	0
CASH, DECEMBER 31		\$ 10,750	114,815	104,065	24,109	59,270	35,161

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF EQUIPMENT FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 23	15	-8	0	20	20
Other	750	0	-750	700	748	48
Total Receipts	773	15	-758	700	768	68
DISBURSEMENTS						
Sheriff	773	0	773	700	1,255	-555
Total Disbursements	773	0	773	700	1,255	-555
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	15	15	0	-487	-487
CASH, JANUARY 1	243	243	0	730	730	0
CASH, DECEMBER 31	\$ 243	258	15	730	243	-487

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF DRUG FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 0	41	41	0	108	108
Other	10,000	0	-10,000	10,000	6,509	-3,491
Total Receipts	10,000	41	-9,959	10,000	6,617	-3,383
DISBURSEMENTS						
Sheriff	10,000	1,523	8,477	10,000	8,257	1,743
Total Disbursements	10,000	1,523	8,477	10,000	8,257	1,743
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-1,482	-1,482	0	-1,640	-1,640
CASH, JANUARY 1	1,509	1,509	0	3,149	3,149	0
CASH, DECEMBER 31	\$ 1,509	27	-1,482	3,149	1,509	-1,640

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
DARE FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Interest	\$	20	26	6	0	6	6
Other		500	1,348	848	0	250	250
Total Receipts		520	1,374	854	0	256	256
DISBURSEMENTS							
Sheriff		520	0	520	0	75	-75
Total Disbursements		520	0	520	0	75	-75
RECEIPTS OVER (UNDER) DISBURSEMENTS		0	1,374	1,374	0	181	181
CASH, JANUARY 1		274	274	0	93	93	0
CASH, DECEMBER 31	\$	274	1,648	1,374	93	274	181

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY DELINQUENT TAX FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 0	0	0	100	0	-100
Interest	0	2	2	0	1	1
Total Receipts	0	2	2	100	1	-99
DISBURSEMENTS						
Prosecuting Attorney	0	0	0	100	0	100
Total Disbursements	0	0	0	100	0	100
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	2	2	0	1	1
CASH, JANUARY 1	24	24	0	23	23	0
CASH, DECEMBER 31	\$ 24	26	2	23	24	1

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY DRUG FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 10,000	0	-10,000	5,000	0	-5,000
Interest	105	18	-87	0	105	105
Total Receipts	10,105	18	-10,087	5,000	105	-4,895
DISBURSEMENTS						
Prosecuting Attorney	4,000	1,080	2,920	2,000	1,512	488
Transfers out	0	0	0	2,500	0	2,500
Total Disbursements	4,000	1,080	2,920	4,500	1,512	2,988
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,105	-1,062	-7,167	500	-1,407	-1,907
CASH, JANUARY 1	1,068	1,068	0	2,475	2,475	0
CASH, DECEMBER 31	\$ 7,173	6	-7,167	2,975	1,068	-1,907

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER USER FEE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 13,000	16,974	3,974	13,000	13,330	330
Interest	400	886	486	0	486	486
Total Receipts	13,400	17,860	4,460	13,000	13,816	816
DISBURSEMENTS						
Ex Officio Recorder of Deeds	8,000	5,456	2,544	16,035	16,644	-609
Total Disbursements	8,000	5,456	2,544	16,035	16,644	-609
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,400	12,404	7,004	-3,035	-2,828	207
CASH, JANUARY 1	10,612	10,612	0	13,440	13,440	0
CASH, DECEMBER 31	\$ 16,012	23,016	7,004	10,405	10,612	207

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
CHILDREN'S TRUST FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	1,200	1,109	-91	1,100	1,060	-40
Interest		0	241	241	0	171	171
Total Receipts		1,200	1,350	150	1,100	1,231	131
DISBURSEMENTS							
Domestic violence shelters		0	0	0	0	400	-400
Total Disbursements		0	0	0	0	400	-400
RECEIPTS OVER (UNDER) DISBURSEMENTS		1,200	1,350	150	1,100	831	-269
CASH, JANUARY 1		3,672	3,672	0	2,841	2,841	0
CASH, DECEMBER 31	\$	4,872	5,022	150	3,941	3,672	-269

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

WEBSTER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LOCAL EMERGENCY PLANNING COMMISSION FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 2,600	2,768	168
Interest	325	456	131
Total Receipts	2,925	3,224	299
DISBURSEMENTS			
Office supplies	250	263	-13
Administrative costs	1,500	1,500	0
Projects and materials	3,500	600	2,900
Mileage and training	1,450	527	923
Total Disbursements	6,700	2,890	3,810
RECEIPTS OVER (UNDER) DISBURSEMENTS	-3,775	334	4,109
CASH, JANUARY 1	9,425	9,425	0
CASH, DECEMBER 31	\$ 5,650	9,759	4,109

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

WEBSTER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PEACE OFFICERS STANDARDS TRAINING FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	2,000	2,024	24
Total Receipts	2,000	2,024	24
DISBURSEMENTS			
Sheriff	2,000	3,772	-1,772
Total Disbursements	2,000	3,772	-1,772
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-1,748	-1,748
CASH, JANUARY 1	1,748	1,748	0
CASH, DECEMBER 31	\$ 1,748	0	-1,748

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

WEBSTER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	5,600	28,921	23,321
Interest	28	589	561
Total Receipts	5,628	29,510	23,882
DISBURSEMENTS			
Sheriff	7,000	0	7,000
Total Disbursements	7,000	0	7,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,372	29,510	30,882
CASH, JANUARY 1	1,400	1,400	0
CASH, DECEMBER 31	\$ 28	30,910	30,882

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

WEBSTER COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Property taxes	\$	231,841	247,589	15,748	193,950	213,049	19,099
Intergovernmental		422,214	322,667	-99,547	242,873	359,962	117,089
Charges for services		53,000	34,757	-18,243	16,800	33,998	17,198
Interest		4,000	9,608	5,608	3,400	8,095	4,695
Total Receipts		711,055	614,621	-96,434	457,023	615,104	158,081
DISBURSEMENTS							
Salaries		346,276	378,142	-31,866	288,348	318,219	-29,871
Office expenditures		40,800	35,642	5,158	15,200	32,732	-17,532
Medical expenditures		56,500	41,409	15,091	10,000	45,662	-35,662
Mileage and training		10,000	12,433	-2,433	10,000	9,242	758
Debt service		148,000	148,000	0	78,000	74,000	4,000
Other		37,450	16,259	21,191	5,850	16,343	-10,493
Total Disbursements		639,026	631,885	7,141	407,398	496,198	-88,800
RECEIPTS OVER (UNDER) DISBURSEMENTS		72,029	-17,264	-89,293	49,625	118,906	69,281
CASH, JANUARY 1		241,789	234,342	-7,447	105,942	115,436	9,494
CASH, DECEMBER 31	\$	313,818	217,078	-96,740	155,567	234,342	78,775

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

WEBSTER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SENATE BILL 40 BOARD FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Property taxes	\$	145,510	146,670	1,160	114,281	124,023	9,742
Intergovernmental		1,500	2,146	646	1,500	1,471	-29
Interest		9,200	6,167	-3,033	3,100	9,176	6,076
Total Receipts		156,210	154,983	-1,227	118,881	134,670	15,789
DISBURSEMENTS							
Contractual services		202,939	198,967	3,972	148,937	119,771	29,166
Total Disbursements		202,939	198,967	3,972	148,937	119,771	29,166
RECEIPTS OVER (UNDER) DISBURSEMENTS		-46,729	-43,984	2,745	-30,056	14,899	44,955
CASH, JANUARY 1		84,678	84,678	0	69,779	69,779	0
CASH, DECEMBER 31	\$	37,949	40,694	2,745	39,723	84,678	44,955

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit T

WEBSTER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
EMERGENCY 911 FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Sales taxes	\$ 329,810	337,251	7,441
Interest	5,000	20,799	15,799
Total Receipts	334,810	358,050	23,240
DISBURSEMENTS			
Salaries	68,057	57,831	10,226
Office expense	5,435	9,897	-4,462
Building and grounds	10,550	12,333	-1,783
Contractual services	284,680	36,532	248,148
Total Disbursements	368,722	116,593	252,129
RECEIPTS OVER (UNDER) DISBURSEMENTS	-33,912	241,457	275,369
CASH, JANUARY 1	332,572	332,997	425
CASH, DECEMBER 31	\$ 298,660	574,454	275,794

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit U

WEBSTER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW LIBRARY FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 7,979	11,887	3,908
Interest	96	164	68
Total Receipts	8,075	12,051	3,976
DISBURSEMENTS			
Law library	4,000	7,414	-3,414
Total Disbursements	4,000	7,414	-3,414
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,075	4,637	562
CASH, JANUARY 1	2,627	2,627	0
CASH, DECEMBER 31	\$ 6,702	7,264	562

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

WEBSTER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Webster County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, the Senate Bill 40 Board, or the Emergency 911 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Local Emergency Planning Commission Fund	1997
Peace Officers Standards Training Fund	1997
Sheriff Fund	1997
Community Development Block Grant Fund	1998 and 1997
Emergency 911 Fund	1997
Law Library Fund	1997
Circuit Clerk Interest Fund	1998 and 1997
Associate Circuit Division Interest Fund	1998 and 1997

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Assessment Fund	1997
Law Enforcement Training Fund	1998 and 1997
Prosecuting Attorney Training Fund	1998
Sheriff Equipment Fund	1997
DARE Fund	1997
Recorder User Fee Fund	1997
Childrens Trust Fund	1997
Peace Officers Standards Training Fund	1998
Health Center Fund	1997
Law Library Fund	1998

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements for the years ended December 31, 1998 and 1997, did not include the Community Development Block Grant Fund, Law Library Fund, Circuit Clerk Interest Fund, and Associate Circuit Division Interest Fund.

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial

institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

The Health Center Board's, Senate Bill 40 Board's, and Emergency 911 Board's deposits at December 31, 1998 and 1997, were entirely covered by the federal depository insurance or by collateral securities held by the custodial banks in the applicable boards' names.

3. Property Tax

Through December 31, 1998, Webster County had collected \$50,362 in excess property taxes. Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales tax collected. Webster County voters enacted a 1/2 cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. Tax levies were not reduced sufficiently for actual sales taxes received.

4. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$295,742 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$135,380. As of December 31, 1998, \$58,490 remains to be paid.

Supplementary Schedule

Schedule

WEBSTER COUNTY, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health -				
10.6	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-8213	\$ 114,784	122,391
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development -				
14.2	Community Development Block Grants/State's Program	97-ED-10	39,462	0
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.7	Public Safety Partnership and Community Policing ("Cops") Grants	N/A	9,960	9,963
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	0	1,509
Passed through:				
Missouri Sheriffs' Association -				
16.unknown	Domestic Cannabis Eradication/Suppression Program	N/A	1,069	0
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission -				
20.2	Off-System Bridge Replacement and Rehabilitation Program	BRO-112-3	1,304	22,214
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.0	Donation of Federal Surplus Personal Property	N/A	0	1,916
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health -				
93.3	Immunization Grants	PG0064-8213	8,555	12,453
Department of Social Services -				
93.6	Child Support Enforcement	N/A	13,997	15,354
Department of Health -				

93.6	Child Care and Development Block Grant	PG0067-8213	3,068	473
93.9	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	ER0161-0010	5,605	13,732
94.0	Maternal and Child Health Services Block Grant to the States	ER0146-8213	84,361	112,746
	Total Expenditures of Federal Awards		\$ 282,165	312,751

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

WEBSTER COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Webster County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1998 and 1997.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Webster County, Missouri

Compliance

We have audited the compliance of Webster County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

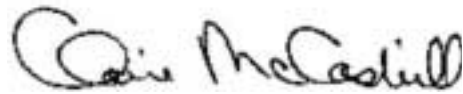
In our opinion, Webster County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997.

Internal Control Over Compliance

The management of Webster County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Webster County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Claire McCaskill".

Claire McCaskill
State Auditor

May 3, 1999 (fieldwork completion date)

Schedule

WEBSTER COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1998 AND 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be material weaknesses? yes x none reported

Noncompliance material to the financial statements
noted? x yes no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be a material weaknesses? yes x none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? yes x no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.994	Maternal and Child Health Services Block

Grant to the States

Dollar threshold used to distinguish between Type A
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes x no

Section II - Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

98-1.	County Sales Tax
--------------	-------------------------

The county has not sufficiently reduced its property tax revenues by 50 percent of the sales tax revenues as provided in the ballot issue passed by the Webster County voters under the provisions of Section 67.505, RSMo 1994.

Following are the calculations used in determining excess property tax revenues collected for the two years ended December 31, 1998:

	Year Ended December 31,	
	1998	1997
Actual sales tax revenues	\$ 761,760	781,104
Required percentage of revenue reduction	X 50 %	50 %
Required property tax revenue reduction	<u>380,880</u>	<u>390,552</u>
Assessed valuation	185,972,246	177,107,663
General Revenue Fund tax levy reduction (per \$100 of assessed valuation)	X 0.19	0.22
Actual property tax revenue reduction	<u>353,347</u>	<u>389,637</u>
Excess property tax revenues collected	27,533	915
Excess property tax revenues collected for prior years	22,829	21,914
Excess at December 31,	<u>\$ 50,362</u>	<u>22,829</u>

When computing the 1998 property tax rollback, the county did not rollback the \$22,829 excess collections from 1997 and prior years due to a calculator error. In addition, higher than projected sales tax collections during the last six months of 1998 resulted in \$27,533 in excess collections. The county should consider this \$50,362 in excess collections when computing future property tax rollbacks.

WE RECOMMEND the County Commission reduce the county property tax levy adequately to meet the sales tax reduction requirements, including reductions for excess property taxes collected in prior years.

AUDITEES RESPONSE AND PLAN FOR CORRECTIVE ACTION

Our annual calculations always include an adjustment because of higher sales tax collections during the last six months of the year. The \$27,533 excess which occurred during 1998 for this reason has been adjusted in the 1999 calculation.

The \$22,829 excess represents a one-time calculation error, and this has been corrected by an additional one-cent rollback in the 1999 tax levy.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

WEBSTER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

WEBSTER COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

1. Economic Development Grant

Federal Grantor:	U.S. Department of Commerce
Pass-Through Grantor:	Not applicable
Federal CFDA Number:	11.307
Program Title:	Economic Adjustment Assistance
Pass-Through Entity	
Identifying Number:	Not applicable
Award Year:	1996 and 1995
Questioned Costs:	Not applicable

The County Commission did not document that it had adequately monitored the expenditures incurred by the subrecipient of this grant (Marshfield Development League).

Recommendation:

The County Commission properly monitor federal grant subrecipient expenditures to ensure compliance with all federal regulations.

Status:

The County Commission obtained documentation of the grant fund expenditures incurred by the Marshfield Development League. No additional expenditures were incurred subsequent to 1996.

SECTION ON OTHER MATTERS

WEBSTER COUNTY, MISSOURI LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Webster County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 3, 1999. We also have audited the compliance of Webster County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997, and have issued our report thereon dated May 3, 1999.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Webster County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. Property Tax Additions and Abatements

The County Commission and County Clerk do not review and approve tax book additions and abatements and do not charge the County Collector with the applicable changes.

2. Health Center Policies and Procedures

As noted in our prior report, the Health Center Board obtained lease financing for the new health center building at an interest rate of ten percent, and based on the going interest rates for similar lease financing arrangements, it appears the board could have saved as much as \$134,500 over the life of the lease. The board discussed this matter at a meeting and decided to make extra payments in 1998 and 1999 to reduce the lease principal; however, the board has decided to continue with the current lease agreement and has not solicited proposals to refinance the lease.

In addition, budgets were not accurately prepared and actual expenditures exceeded budgeted expenditures by approximately \$89,000 in 1997. Employees are allowed to accumulate annual leave in excess of the Health Center's leave policy. For example, the Health Center Administrator's annual leave balance at December 31, 1998, was 496 hours more than the 336-hour maximum. An employee was paid for sick leave for approximately six weeks; however, the employee was not required to submit a physician statement or other documentation as required by the sick leave policy. Checks are sometimes signed in advance

for routine monthly expenditures. The Health Center's property records do not include the total cost of land and buildings.

This Letter on Other Matters is intended for the information of the management of Webster County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.

* * * * *